



## Frequently Asked Questions **DAS Customer Councils**

*With former Governor Tom Vilsack's signature on HF 534 in 2003, Iowa state government began the transition to an **entrepreneurial management** business model, a customer-focused approach to delivering services in a competitive marketplace where business decisions are motivated by the desire to meet customer needs and by rewards or consequences for financial performance. All of the services formerly provided by the agencies that merged into the Department of Administrative Services (DAS) have been placed into three categories: leadership services, utility services, and marketplace services. **Utility services** are those most effectively provided through a centrally managed resource in order to maximize efficiency and/or capture economies of scale, such as Capitol Complex space management and mainframe computer utilization. Customer agencies are required to purchase utility services from DAS, and these services are monitored by customer councils.*

### **Q1: What is a customer council?**

A1: Customer councils are one of the oversight tools used by DAS to manage utility services. Each of the four councils – General Services, Human Resources, Technology, and I/3 (Integrated Information for Iowa system) – is comprised of customers of the respective DAS enterprises: General Services Enterprise (GSE), Human Resources Enterprise (HRE), Information Technology Enterprise (ITE), and the State Accounting Enterprise (SAE), which oversees the I/3 system.

### **Q2: What are the powers and duties of the customer councils?**

A2: Customer councils are charged with four primary responsibilities:

- 1) *Approve business plans* – the council shall, on an annual basis, review and recommend action on business plans submitted by the DAS for performance of the services the customer council oversees. Business plans include levels of service, service options, investment plans, and other information.
- 2) *Rate setting* – customer councils shall approve the procedure for setting rates for the services that the customer council oversees and the resulting rates. Rates are established no later than September 1 of the year preceding the rate change.
- 3) *Biennial review of utility services* – every two years the appropriate customer council shall review the decision made by DAS that it be the sole provider of a service and make recommendations regarding that decision.
- 4) *Complaint resolution* – the customer councils are responsible for establishing the internal procedure for resolution of complaints concerning the utility services provided by DAS.

The customer councils are also responsible for approving their bylaws, electing officers, and soliciting feedback from customer agencies when appropriate. Other duties may be assigned or requested.

*Updated July 2007*

**Q3: Who makes up the membership of the councils?**

A3: The councils are comprised of staff (generally at the “division administrator” level or above) from the customer agencies, which are categorized by size. Each of the GSE, HRE and Technology councils has three representatives from the large agencies (more than 700 employees), three from the medium-sized agencies (70-700 employees), and three from the small agencies (less than 70 employees). Each council also has one representative from the unions, and one public member. These elected members serve three-year terms, with no limit on the number of terms that can be served. Additionally, if services are rendered to the legislative and/or judicial branch, the leaders of those branches may elect to appoint a representative to the appropriate council. Currently there is a legislative branch and judicial branch representative on every council. Ex-officio members may also serve in a non-voting, advisory capacity.

The I/3 Council membership is comprised of members elected from the other councils. The I/3 Customer Council has two representatives from each of the large, medium and small agency groups, plus one public and one union representative, and the optional judicial and legislative branch representatives.

**Q4: How often do the customer councils meet?**

A4: Customer council meetings are scheduled for once a month. DAS provides an overall yearly schedule that provides guidelines for when certain duties should be performed, such as setting rates, but each council is responsible for setting a meeting time and place and soliciting agenda items from its members. Meetings may be cancelled if the council chair and DAS staff determine there is no business to discuss.

**Q5: How are rates for utility services set?**

A5: To establish rates and allocation amounts for DAS utility services, each DAS enterprise analyzes and projects both direct and indirect costs of providing the service. These projections are based on historical trends and adjustments for known changes in costs. Total costs are divided by the appropriate allocation basis to establish the rate or price. Once each enterprise has established its utility rates and prices, the rate proposal and associated business plan are reviewed and approved by the respective customer council.

**Q6: How do the customer councils hold DAS accountable?**

A6: Each customer council oversees the process for determining standards and developing enterprise rates, the nature and extent of services provided, and investments to enhance existing services that would affect costs.

**Q7: Where else have customer councils been used in the public and private sectors?**

A7: Customer councils with clearly defined governing authority (those that function as a *bona fide* board of directors) are not common in state government. The research indicated that customer involvement throughout state governments appeared to be substantially “advisory” in nature. Customer councils that truly function as a board of directors are common in private sector “shared services” organizations.